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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)	
)	
Petition of the Wyoming Public Service)	CC Docket No. 96-45,
Commission for a Waiver of the)	DA 00-1019
Federal Communications Commission's)	
Targeting Rules as Found in)	
§ 54.309 and § 54.311)	

COMMENTS OF WESTERN WIRELESS CORPORATION

Western Wireless Corporation ("Western Wireless"), by its attorneys, submits these Comments in response to the Commission's Public Notice seeking comment on the captioned petition. 1/ Western Wireless supports the efforts of the Wyoming Public Service Commission ("PSC") to target as directly as possible federal support for eligible telecommunications carriers ("ETCs") to the high-cost zones throughout that state, and Western Wireless therefore urges the Commission to grant the Wyoming PSC's Petition.

BACKGROUND

Western Wireless is a cellular carrier specializing in the provision of high-quality, affordable, and reliable wireless services to subscribers in rural and high-cost areas. Western Wireless currently provides commercial mobile radio

1/ Wyoming Public Service Commission Files for Waiver of the Non-Rural High-Cost Universal Service Support Targeting Requirements Included in Sections 54.309 and 54.311 of the Commission's Rules, CC Docket No. 96-45, Public Notice, DA 00-1019 (rel. May 8, 2000).

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service ("CMRS") to more than 874,000 subscribers under licenses in Wyoming and 18 other western states. Western Wireless's petition for designation as an ETC in the state of Wyoming is currently pending before the FCC. 2/

Western Wireless is eager to provide universal service and to help realize the goals of Section 254 of the Communications Act of 1934, as amended. 3/ Western Wireless is therefore actively participating in a number of proceedings relating to universal service before the FCC and state commissions. Western Wireless believes that in many areas of the country, high-quality supported services can be provided using wireless technologies more efficiently – and often at lower cost – than by using the wireline systems of incumbent local exchange carriers ("ILECs").

In light of Western Wireless's interest in providing supported services in the state of Wyoming and other states, it is critical to Western Wireless that the FCC adhere to its overall policy goals of *technological and competitive neutrality* in the system for supporting universal service in high-cost and rural areas. 4/ To

2/ Public Notice, *Western Wireless Corporation Petitions for Designation as an Eligible Telecommunications Carrier to Provide Services Eligible for Universal Service Support in Wyoming*, CC Docket No. 96-45, DA 99-2511 (released November 10, 1999). Western Wireless filed this petition with the FCC under Section 214(e)(6) of the Act because the Wyoming PSC dismissed the company's petition on the grounds that Wyoming law denied it jurisdiction to designate wireless carriers.

3/ 47 U.S.C. § 254.

4/ This goal has been embraced by the FCC and the Joint Board. *Federal-State Joint Board on Universal Service*, First Report and Order, 12 FCC Rcd 8776, 8858, 8932, ¶¶ 145, 287 (1997), *aff'd in part, rev'd in part*, *Texas Office of Publ. Utils. Counsel v. FCC*, 183 F.3d 393 (1999) ("*Universal Service First Report and Order*").

achieve this goal, the Commission must ensure, first, that consumers in high-cost and rural areas have the right to choose to obtain supported services from CMRS providers and other new entrants, as well as from ILECs. Second, the FCC and state commissions should eliminate implicit support that is available only to large or small ILECs, and should make all support explicit and available to all ETCs, regardless of those carriers' technologies, rate structures, or regulatory status. Finally, the establishment of service areas for universal service support should promote, rather than discourage, entry by competitive carriers providing service supported by universal service mechanisms.

DISCUSSION

Western Wireless believes that, consistent with the Commission's universal service orders, universal service support should be targeted to the smallest practicable geographic areas. ^{5/} As the FCC has observed, this would be the optimal approach to ensure that customers in high-cost areas receive telecommunications services at rates and service levels comparable to those available to customers in low-cost areas. ^{6/} If support is not targeted, carriers will receive

^{5/} *Universal Service First Report and Order*, 12 FCC Rcd at 8879-80, ¶¶ 184-85; *Federal-State Joint Board on Universal Service*, Ninth Report & Order and Eighteenth Memorandum Opinion & Order on Reconsideration, 14 FCC Rcd 20432, 20471-73, ¶¶ 70-76 (1999) ("*Universal Service Ninth Report and Order*").

^{6/} *Id.*; *Universal Service Ninth Report and Order*, 14 FCC Rcd at 20472, ¶ 75 ("By targeting the total amount of support to high-cost wire centers, the federal mechanism avoids the inefficiencies and potential market distortions that could be caused by distributing federal support on a uniform statewide basis.").

support for serving both high-cost areas and low-cost areas within a particular wire center, and the integrity and efficiency of the universal service system will suffer.

Because the Wyoming PSC's Petition furthers the above-stated goals, policies and objectives, Western Wireless supports the Petition and concurs with the Wyoming PSC's efforts to target federal support for ETCs to the high-cost zones established by the PSC within Wyoming's local exchange carrier ("LEC") exchange areas. The Wyoming PSC's Petition reveals that Wyoming appears to be making a serious effort to remove implicit support from intrastate rates. The four-zone approach the Wyoming PSC proposes eliminates a degree of geographic averaging for universal service support, and it is a significant step toward ensuring that carriers in Wyoming will receive support only for serving those areas where the cost of providing service is significantly higher than in urban areas. The waiver requested in the Petition will allow the disbursement of federal support in Wyoming to match the Wyoming PSC's approach to intrastate support. Western Wireless commends the Wyoming PSC for its efforts in this regard, and encourages other states to follow Wyoming's lead in this regard. Western Wireless therefore supports the grant of the instant Petition.

To be sure, reasonable minds might differ as to the optimal method of geographic deaveraging. Where the FCC's method overlooks geographic cost differences *within* individual wire centers, the Wyoming PSC's approach may not adequately account for geographic cost differences *between* individual wire centers. Thus, while neither of these methods is necessarily optimal, because neither

determines or targets support with as much granularity as possible, both have a degree of relative administrative ease to commend them, and neither is so untargeted as to be unreasonable.

Nonetheless, what distinguishes the Wyoming PSC's approach is its apparently coordinated effort to eliminate implicit geographic subsidies resulting from averaged rates, while also distributing federal and state universal service support on a deaveraged basis. Western Wireless encourages the FCC and other states to act expeditiously to match Wyoming's efforts. As Western Wireless has long argued, true competitive and technological neutrality require complete elimination of implicit subsidies, especially in rural areas. The establishment of competitively neutral, explicit support mechanisms must be a top priority in any universal service reform effort, as well as for telecommunications regulatory reform generally. The Wyoming PSC has proposed to take a key step toward this ideal, and the FCC should vindicate the Wyoming PSC's efforts, encourage other states to take similar steps, and follow the Wyoming PSC's lead in this regard as federal and state universal service reforms proceed.

CONCLUSION

For the foregoing reasons, the Commission should grant the Wyoming PSC's Petition and approve the Wyoming PSC's proposed plan of targeting federal universal service support in the state of Wyoming.

Respectfully submitted,

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